

**City of Hayward**  
**and**  
**Hayward Police Officers Association**

**SIDE LETTER OF AGREEMENT**

**Regarding: Cost Saving Measures to Address City Revenue Shortfall  
for FY 2011-2012**

This side letter agreement is made between the City of Hayward (City) and the Hayward Police Officers' Association (HPOA) to amend certain provisions of the current Memorandum of Understanding effective July 1, 2004 and extended through June 30, 2015 (hereinafter referred to as the "2004-2015 MOU") between the parties regarding bargaining unit salaries, employee's PERS contributions, holidays and payment for holidays worked, and overtime compensation.

The City and the HPOA agree that the terms of this Side Letter of Agreement shall become effective July 1, 2011. The parties also agree that the terms of this Side Letter of Agreement are limited to those specific items contained herein and that the separate sections of this Side Letter of Agreement shall expire as indicated herein. Upon expiration of the terms set forth below, the MOU provisions as amended through this side letter shall revert to their original terms as set forth in the 2004-2015 MOU unless the original terms have been deleted by the parties in this side letter. No part of this Side Letter of Agreement contradicts, or is intended to contradict, the Side Letters of Agreement regarding the FY 2009-2010, and FY 2010-2011 revenue shortfalls.

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**1. Bargaining Unit Salaries Effective July 1, 2011**

The parties acknowledge the City's revenue shortfall for the 2011-2012 fiscal year, and in that regard, the parties agree to delete paragraph five (dealing with bargaining unit salaries effective July 1, 2011) of Section 2 of the Addendum to the 2004-2015 MOU dated May 8, 2008. The parties agree that the base salaries for HPOA bargaining unit members shall not be increased for the period July 1, 2011 through June 30, 2012 and shall remain at the levels established for the 2010-2011 fiscal year.

All other provisions of the May 2008 Addendum shall remain unchanged and increases in compensation effective July 1, 2012 through June 30, 2015 are not modified.

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## **2. Employee's PERS Contribution**

For the period beginning July 1, 2011 through and including June 30, 2012, the original language in Section 8.01 of the 2001-2015 MOU is deleted in its entirety and replaced with the following language and terms:

As long as the Employer Contribution Rate required by PERS for the fiscal year beginning July 1, 2011 through and including June 30, 2012 is at least 36.493%, and as authorized by Government Code Section 20516 (Optional Benefits, Cost Sharing), bargaining unit members shall be responsible for payment of the nine percent (9%) employee retirement contribution plus an additional three percent (3%) of their salaries to the California Public Employees' Retirement System (CalPERS) as payment of the City's employer contributions that the City would otherwise be required to pay to CalPERS for these employees; said contribution shall be credited to each member's account as a normal contribution.

The City will continue to not treat these contributions as compensation subject to income tax withholding unless the Internal Revenue Service or Franchise Tax Board indicates that such contributions are taxable income subject to withholding. Each employee shall be solely and personally responsible for any federal, state, or local tax liability of the employee that may arise out of the implementation of this section or any penalty that may be imposed therefore.

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## **3. Holidays and Holiday Pay**

2004-2015 MOU Sections 9.00, 9.01 and 9.02 (Holidays and Holiday Pay) are suspended in their entirety and not effective beginning July 1, 2011 through and including June 30, 2012; those sections shall be reinstated in their entirety and become effective again on July 1, 2012 through June 30, 2015.

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### **3.1. Holidays Leave Time (Effective July 1, 2011 through and including June 30, 2012)**

For the period beginning July 1, 2011 through and including June 30, 2012, the following provisions shall apply in lieu of Sections 9.00, 9.01 and 9.02 of the 2004-2015 MOU:

Bargaining Unit members assigned to a 4/10 work schedule or a 3/12.5 work schedule shall each earn holiday leave time in lieu of the actual holidays as follows:

July 4, 2011 – 10 hours

December 25, 2011 – 10 hours

September 5, 2011 – 10 hours

December 31, 2011 – 5 hours

September 9, 2011 – 10 hours  
October 10, 2011 – 10 hours  
November 11, 2011 – 10 hours  
November 24, 2011 – 10 hours  
November 25, 2011 – 10 hours  
December 24, 2011 – 5 hours

January 1, 2012 – 10 hours  
January 16, 2012 – 10 hours  
February 12, 2012 – 10 hours  
February 20, 2012 – 10 hours  
May 28, 2012 – 10 hours

Bargaining unit members assigned to a 5/8 work schedule shall each earn holiday leave time in lieu of the actual holidays at the rate of eight (8) hours instead of ten hours and four (4) hours instead of five hours.

Holiday leave time shall be posted to each bargaining unit member's holiday leave balance during the pay period which includes the dates specified above.

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**3.2. Use of Holiday Leave Time (Effective July 1, 2011 through and including June 30, 2014)**

Bargaining unit members may use accumulated holiday leave time, on an hour-for-hour basis, in the same manner as accumulated vacation or compensatory time. Accumulated holiday leave time accrued during the 2011-2012 fiscal year must first be exhausted in its entirety before vacation time can be used. From July 1, 2011 through and including June 30, 2012, bargaining unit members will accrue one hundred forty (140) hours of holiday leave time. Those one hundred forty (140) hours of holiday leave must be used no later than June 30, 2014.

A bargaining unit member must submit his/her request for the use of the remainder of his/her holiday leave balance to his/her supervisor no later than April 1, 2014. Absent such a timely request, the employee's supervisor will unilaterally schedule the remaining holiday hours to be taken by the employee, in whole shift increments whenever possible.

Due to the stipulations detailed in the previous FY 2010-2011 side letter, the full balance of the accrued holiday leave hours accumulated from the 2010-2011 fiscal year must be exhausted by June 30, 2013.

For any bargaining unit member with a holiday leave balance not exceeding one hundred forty (140) hours who separates from employment on or after July 1, 2011 but on or before June 30, 2012, and who retires with California Public Employees Retirement System (CalPERS) on or before June 30, 2012, the City agrees to pay the holiday leave balance to the member and report to CalPERS the holiday leave for the holiday period at the rate of pay applicable at the time of the holiday. If extenuating circumstances arise that make using the aforementioned

hours of holiday leave impossible within the above listed time frames, exceptions may be permitted on approval of the Department Head and the City Manager. This process shall mirror the Vacation Accrual exception process documented in Section 10.02 of the 2004-2015 MOU. Any holiday leave not used pursuant to the above shall be forfeited.

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**4. Overtime Compensation (Effective July 1, 2011 through and including June 30, 2012)**

For the period beginning July 1, 2011 through and including June 30, 2012, Section 4.06 of the 2004-2015 MOU shall be amended by the addition of the following language and terms:

Each bargaining unit member agrees that effective July 1, 2011, his/her first forty (40) hours of non-grant funded overtime worked shall only be taken in compensatory time and not in pay. Employees shall continue to be compensated at an overtime rate of one and one-half (1 ½) times the overtime worked and to the nearest fifteen (15) minute interval. That first forty (40) hour commitment would equal sixty (60) hours of compensatory time.

Additionally, each bargaining unit member agrees to use the sixty (60) hours of compensatory time by June 30, 2012. Bargaining unit members must submit his/her request for the use of the aforementioned sixty (60) hours of compensatory time to his/her supervisor no later than April 1, 2012. Absent such a timely request, the employee's supervisor will unilaterally schedule the remaining compensatory hours to be taken by the employee, in whole shift increments whenever possible.

If extenuating circumstances arise that make using the aforementioned sixty (60) hours of compensatory time impossible within the above listed time frame, exceptions may be permitted on approval of the Department Head and the City Manager. This process shall mirror the Vacation Accrual exception process documented in Section 10.02 of the 2004-2015 MOU.

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**5. Uniforms (Effective July 1, 2011 through and including June 30, 2012)**

For the period beginning July 1, 2011 through and including June 30, 2012, Section 15.02 of the 2004-2015 MOU shall be amended by the addition of following language and terms:

Bargaining unit members assigned to a uniformed assignment will be allowed to wear their Class C (5.11 TDU) uniform for daily use regardless of weather. This provision would supersede section 1046.3.3 of the current Hayward Police Department Policy Manual governing the "Class C Uniform". Section 1046.3.4 of the Hayward Police Department's Policy Manual governing "Court and Hearing Attire" would not be affected by the terms of this side letter and would remain in effect. The City agrees to replace/repair Class C uniforms damaged in the line of duty,

however, the City is not required to make an initial purchase of Class C uniforms for those members who do not currently own them.

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**6. Layoffs (Effective July 1, 2011 through and including June 30, 2012)**

This agreement is intended by the parties to address, in part, the projected deficit faced by the City in its 2011-2012 fiscal year budget. It includes a reduction in monetary compensation to HPOA members of approximately 13% for the period July 1, 2011, through June 30, 2012, resulting in a cost savings to the City of approximately \$4.5M.

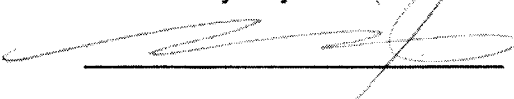
The parties acknowledge that there are structural budget deficit issues with the City's financial future that will take considerable time to address and that these issues include both revenue and expenditures. In consideration of the concessions made by the HPOA in this side letter of agreement, the City agrees to use officer attrition in lieu of officer layoffs to address immediate and potential future cost reductions wherever and whenever financially responsible to do so. In such case, when the City can no longer use officer attrition to achieve immediate and potential future cost reductions, the City will provide notice to the HPOA at the earliest possible opportunity and prior to any potential layoffs.

The City appreciates the efforts of the HPOA over the last several years to assist the City in balancing its General Fund budget by agreeing to contract concessions. The City also acknowledges that HPOA, in order to help avoid additional economic pressure on its members, desires that the City not employ more than 190 sworn, non-command FTE in FY 2012. The City and HPOA agree that costs savings achieved through officer attrition are critical to balancing the General Fund budget. With that understanding, and in the spirit of cooperation, the City agrees to use its best efforts and act in good faith to maintain the costs savings achieved in FY 2012 by officer attrition. In doing so, and under these circumstances, the parties understand that several factors (e.g. changes in the economy, the parties' desire to provide effective and quality law enforcement services to all of Hayward, the crime rate, or additional revenue) may influence the exercise of the City's discretion to maintain or fill officer positions beyond 190.

This agreement does not limit and should not be construed as limiting the City's rights to manage the Police Department as set forth in City of Hayward Personnel Rule 17.05.

Executed on this 15 day of June, 2011, at Hayward, California.

For the City Hayward:



Fran David

City Manager

For the Hayward Police Officers' Association:



Michael Sorensen, President

Hayward Police Officers' Association